

ORDINANCE NO. 024-128

AN ORDINANCE AUTHORIZING
THE USE OF CAPITAL REVENUE
FUNDS TO MEET THE CHICAGO
TRANSIT AUTHORITY'S LOCAL
SHARE COMMITMENT FOR THE
RED LINE EXTENSION PROJECT IN
FY 2030 AND 2031

WHEREAS, The Chicago Transit Authority's ("Authority") Red Line Extension project extends the Line to 130th Street from the existing 95th Street Terminal. The planned 5.6-mile heavy rail extension will include four new fully accessible stations near 103rd Street, 111th Street, Michigan Avenue, and 130th Street. The Project will also include a new rail yard and shop near 120th Street; and

WHEREAS, The comprehensive Red Line Extension (RLE) Project Financial Plan details all project funding sources that are to fund the project, including sources that are to be matched with the Federal Transit Administration ("FTA") Section 5309 Capital Investment Grant (CIG) program award that is anticipated with the Full Funding Grant Agreement (FFGA) later this year; and

WHEREAS, The Authority will submit a Financial Plan or Plans as part of the final submission package for FFGA. The Financial Plan or Plans also will reflect the results of the risk refresh process. FTA and the Authority view this risk refresh as crucial to the development of a comprehensive Financial Plan, and more broadly, successful Project implementation. The risk refresh has now been completed; and

WHEREAS, The FTA financial management oversight has now decided based on the recent higher-than-expected cost for the Mainline Design-Build contract award and the results of the project risk refresh that an additional \$424.1 million is needed for project contingencies to account for the RLE project risk profile; and

WHEREAS, Staff recommends securing the use of capital revenues from CTA Bond proceeds and annual State PayGo grant receipts in Fiscal Years 2030 and 2031 to complete the Authority's local funding share commitment for the Red Line Extension project; and

WHEREAS, The State Capital construction program known as Rebuild Illinois provides an annual recurring funding source to fund Capital projects for transit agencies. Proceeds are generated from the State's Motor Fuel Tax; and

WHEREAS, The Metropolitan Transit Authority Act, 70 ILCS 3605/12, empowers the Authority to finance capital projects, proceeds are made available to pay project costs from Authority capital financing, and funds are aligned to reflect anticipated Authority capital project needs; and

ORDINANCE NO. 024-128
(Continued) -2

WHEREAS, In November 2024, the remainder of the RLE project funds will be programmed into the Authority's FY 2024-2028 CIP, and this includes the FTA Section 5309 Capital Investment Grant (CIG) funds and the City of Chicago Transit TIF funds; and

WHEREAS, The Chicago Metropolitan Agency for Planning ("CMAP"), as the Municipal Planning Organization (MPO) for the Northeastern Illinois region, is responsible for the development and adoption of the long-range transportation plan and the Transportation Improvement Program (TIP). The TIP must include every capital project for which assistance will be requested from the FTA; and

WHEREAS, At an upcoming CMAP Transportation Committee meeting, the remaining local share commitment for the RLE project will be programmed into the regional Transportation Improvement Program (TIP) and with this action all federal and non-federal project funding sources and budget will be documented; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chicago Transit Board of the Chicago Transit Authority hereby authorizes the use of FY 2030-31 CTA Bond proceeds and State PayGo Capital grants to secure the remaining local share of funds for the Red Line Extension Project, including the additional \$424.1 million that the Federal Transit Administration has requested that the Authority program for project contingencies, and documents the Authority's commitment and funding plan to meet the Red Line Extension Project costs.

SECTION 2. The Chairman of the Chicago Transit Board, or designee, is further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

October 9, 2024

Secretary

October 9, 2024